Federal-State Marketing Improvement Grant

Final Report

"Evaluation and Development of an Effective Local Food System for Producers Located in a Great Plains State"

Submitted by The Food Processing Center
University of Nebraska-Lincoln

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Introduction

In 2001 the Food Processing Center at the University of Nebraska-Lincoln executed a survey to consumers in the four state region of Nebraska, Iowa, Missouri, and Wisconsin to determine their interest in purchasing foods that were grown or produced locally using sustainable production practices. The results of that study confirmed what many in the local foods movement already knew—consumers wanted improved access to locally- and sustainably-produced foods.

Producers of these foods were at the same time seeking to expand their direct marketing efforts and finding challenges such as time commitments and transportation costs. Many others simply weren't comfortable taking on a marketing role. The goals for this project arose from these issues. How can we improve market access for direct-marketing farmers and expand product availability and improve purchasing efficiencies for end-users?

The Issue

Reaching new markets is more difficult than many producers envision when they first enter into the local food market. Barriers such as inadequate distribution systems, lack of consumer awareness, and lack of producer volume create difficulties that single producers often cannot overcome. Other states pioneered opportunities through successful producer cooperatives, alliances and market techniques that work well in more densely populated, smaller geographic areas.

Nebraska is a state with 1.7 million people and a land area of 77,359 acres. It is about 430 miles long and 210 miles wide. Approximately 1.0 million of the 1.7 million residents live within 50 miles of Omaha, Nebraska which is located on the Missouri river on the eastern border of the state. Producers, on the other hand, are geographically dispersed throughout the state. In the face of the challenges already facing farmers wanting to expand their direct marketing efforts, can features of local food systems that have shown to have potential in other states be adapted to fit the unique needs of producers located in a Great Plains state such as Nebraska?

Project Approach

The project evaluated distribution and marketing systems successfully used in other states and adapted features of these systems to producers located in a Plains state. Producers and consumers were analyzed for their willingness and capacity to engage in a community-based food system beyond the local farmers' markets. Economically viable models were identified and/or developed to help producers gain better access to the end-users, i.e., restaurants, institutions, retail and consumers. These models were then incorporated into a "Great Plains" model that will provide a framework for other regional efforts that face similar geographic and population constraints.

A multi-faceted approach was used in the project. These included:

1. Conduct secondary research to identify local food systems throughout the United States that demonstrate above average potential for being economically sustainable.

2. Interview and/or perform on-site visits to local food systems that either had a high likelihood of success or faced geographic and demographic challenges similar to Nebraska to identify both the tangible and intangible characteristics of successful local food systems.

3. Work alongside producers through meetings and personal interviews in identifying key values and characteristics of direct marketing that will positively drive producer adoption for the model local food system.

4. Based upon the above results, interview and/or survey end-user groups relative to their expectations about various local food systems components.

5. Prepare a business plan for a model local food system that incorporates both the economic and philosophic considerations of the participating producers.

6. Present the model concept for the local food system to producers and end-users for feedback and level of acceptance.

7. Disseminate a refined model to producer groups and end-users with the goal of driving implementation of the model.

Contribution of Public or Private Agency Cooperators

The USDA, through the Federal State Marketing Improvement Program, provided funding and guidance for this project.

The lead organization for this project was the Food Processing Center at the University of Nebraska-Lincoln. The Center, started in 1983, helps businesses of all sizes achieve their goals by providing business and technical assistance.

Many other individuals and organizations significantly contributed to the success of this project. The Nebraska Sustainable Agriculture Society and its Executive Director, Paul Rohrbaugh, helped to facilitate both input from producers and dissemination of the results of the project. In February 2005, the President of the Oklahoma Food Cooperative, Robert Waldrop, was the keynote speaker for the Nebraska Sustainable Agriculture Society's annual conference. Many features of the Oklahoma Food Cooperative served as the basis for the eventual model local food system that resulted from this project. Waldrop and other members of the cooperative served as consultants to the project.

The Practical Farmers of Iowa organization also served as consultants on the project and facilitated on-site visits to local food enterprises and fresh food distributors in Iowa. Additionally, they conducted research on producer certification approaches used by local food enterprises across the country.

The Nebraska Cooperative Development Center (NCDC) worked alongside the Food Processing Center in facilitating producer relationships with the University of Nebraska-Lincoln's Dining Services for all-local meals served in one of the university's dining halls. NCDC also assisted in organizing producer groups for dissemination events.

Pam Edwards, Assistant Director, University of Nebraska-Lincoln Dining Services, served as the lead contact for the Good, Fresh, Local – The Nebraska Sustainable Food Project in the university's dining halls. Edwards worked closely with Dining Services staff in providing the necessary resources to process and prepare locally sourced food products.

Buy Fresh, Buy Local Nebraska emerged late in the grant process as plans for implementation of the model local food enterprise began. This Nebraska version of the national Buy Fresh, Buy Local campaign is working with many of the same producers involved in implementing the model and as a result is providing a special section within the Buy Fresh, Buy Local directory to promote the resulting enterprise.

The culinary program at Metropolitan Community College in Omaha, Nebraska served as the host for a dissemination event for the grant that drew almost 100 producers and consumers. Brian O'Malley, a chef and instructor at the college, is participating with producers in implementing the model.

Many existing local food enterprises across the country shared information and lessons learned as they developed their enterprises that proved useful as the model for a Plains state was being researched. Of particular assistance were GROWN Locally, Postville, IA; Whole Farm Coop, Long Prairie, MN; America Fresh, Los Gatos, CA; and Locally Grown, Athens, GA.

The Center for Applied Rural Innovation at the University of Nebraska-Lincoln assisted in outlining the work plan and providing input to the project. The Center works closely with community organizations and citizens across the state on a variety of rural issues.

The Nebraska Department of Agriculture supported this project by providing access to databases of producers in the state of Nebraska.

Results, Conclusions, and Lessons Learned

The goals for this project were to identify tangible features of existing local food enterprises that could be used as is and/or modified for use in constructing a model that would effectively serve a Great Plains state like Nebraska. The enterprises researched served various combinations of end markets—consumers, retail, restaurants and

institutions. Several intangibles associated with local food enterprises that experienced a higher level of success—defined as sales growth and sustainability—were also identified. These general features are described below with additional details on key models briefly reviewed in the next section.

Value Creation

First, in almost every case the organizations and/or individuals behind a local food direct marketing effort are promoting value-added products and, most frequently, natural, organic or some other sustainable farming practice. This is particularly true for those selling produce. A level of differentiation is seen as essential in order to charge the premium prices necessary to sustain the operation of the business. The models that did not have a particular belief in this regard were sponsored and operated by a local educational, governmental or similar organization. These models also tended to be the ones that lacked the leadership to keep the effort focused, active and current. Most of these types of models are promotional in nature.

The successful models are successful in no small part due to the quality, perceived value, and uniqueness of the products offered.

Structure and Leadership

Second, the most successful models were either private enterprises or spearheaded by strong leadership. Organizations ranged from formal cooperatives governed by a board of directors but operated by a manager to private businesses with one owner possessing clear authority. Included in that mix are loose cooperatives where producers are working together but a formal leadership structure does not exist.

What emerged is that, regardless of the organizational structure, the presence of cohesive, inspirational, skilled, and decisive management is critical for achieving growth and managing a business in a quickly evolving environment. This is not unlike businesses in every other industry; however, bringing together these characteristics is a challenging, yet quite necessary, task. Examples of organizational structure follow:

One cooperative is a 'loose' cooperative in that it is operated by the owners of one of the participating farms. While input from others is certainly carefully considered, final decisions rest with them. The other growers simply sell through the "cooperative".

Another local food effort operates under a similar model, but is a privately owned business. The other growers are simply suppliers to the distributing business. Any profits the growers receive are the result of the prices they charge for their product. They do not receive any profits back from the distributing business. The distributing business profits by marking up the products sold through them. The founder of this business made a point of saying he believed the cooperative model is flawed and usually does not work.

One model was a formal cooperative governed by a Board of Directors and operated by a manager. The decision-making process was bureaucratic and ineffective. Another model

with a similar structure; however, operated efficiently with the ability to make quick decisions as required.

As is the case in most instances, it may have less to do with structure than execution. Nevertheless, the success of each enterprise was significantly impacted by its leadership

Marketing

Third, it appears that many of the models researched do not actively market their organizations beyond personal selling. For those models with consumers as the primary customers, word-of-mouth advertising was identified as the most effective and most common marketing practice. One cooperative used food banquets featuring food from local farms which allows attendees to hear the story of the cooperative and sample some of the food available to cooperative members.

For those serving restaurants and/or retail grocers, an initial sales process was pursued to obtain the account but most marketing after that point occurs in the form of customer service. This was best exemplified by the distributing business that sold primarily to restaurants. As chefs moved from restaurant to restaurant they brought the distributing business new accounts as a result of their previous positive experiences with the company.

The goal of most of the models is to provide a means for farmers to offer increased volume and convenience to the end-users while providing new markets and improving the efficiency of the distribution process for themselves. The best model will not function without a sufficient volume of customers; however, in some cases producers feared demand growing beyond their ability to supply it. This is a valid concern.

The most effective marketing method depends upon the intended target market. Personal selling is required for foodservice and retail accounts. Promotional campaigns did not necessarily receive high marks as being effective for increasing customers from some organizations; however, this is purely anecdotal. Word-of-mouth advertising was the most commonly-cited marketing activity for building consumer business.

Geographic Markets

Fourth, and perhaps most importantly for a model that includes coordinated local distribution, almost all of the researched organizations are located close to fairly significant populations. The benefits of this are obvious. A higher number of customers in a limited geographic market allow for more efficient delivery. Reaching sparse populations spread over large geographic areas is the focus of this project. Clearly, though, improving access to these types of markets is a key component affecting the level of achievable success.

There was one exception in the groups researched as part of this project. One cooperative markets to institutional markets and consumers. Most of its institutional customers are

located in relatively small rural towns. The group also operates as a CSA (Community Supported Agriculture) operation.
A virtual farmers market model designed to communicate to consumers, restaurants, and retail grocers the existence of participating farms and their products would not be bound by geographical and/or population constraints. Sales and distribution can be accomplished with an e-commerce enabled website similar to what Local Harvest began in 2003 with their storefront; however this model requires distribution via common carrier which drives up the cost for consumers and is generally rejected by restaurants and retail grocers. Additionally, such a model directly competes with the thousands of other sites on the Web for consumers' attention. Marketing becomes the key issue with this type of a model as consumer awareness must be achieved and securing a high ranking on search engines is an immutable necessity.

Logistics

The fifth commonality among those models selling and distributing products in a local area is the general approach toward logistics. The logistics of those models selling produce were eerily similar. Product availability from each of the farms is obtained early in the selling cycle. This is then communicated to customers via listserv, e-mail, website announcements, etc. Customers typically have one day to one week in which to order after which orders are compiled and harvesting instructions are sent to each participating farm. Deliveries or pick-ups are made and product cleaned and sorted at a central location. The compilation of orders also occurs at this time. Depending upon the model, the orders are then either picked up by customers or delivered to their location in the case of restaurants and retail grocers. Two sets of records are kept—one on the customer side of the transaction and one on the farmer side of the transaction. Invoices and payments are made with the cooperative or company being the central point of contact.

Geographic Location of Farms

The models featuring cooperative distribution had farms located in relatively close proximity to one another. One local food enterprise believes 50 miles is about as far away as the farms can be from one another and still achieve efficiency; however, this is impacted by the frequency of the sales cycle. Nevertheless, the other cooperative distribution models had farms concentrated in a particular region of the state with most falling within a 100 mile radius.

Website Design and Functionality

While not every website of the organizations with models experiencing success and appearing to have the best opportunity to be sustainable had high quality websites, the vast majority did. A professionally designed website provides numerous positive factors for an organization. An attractive website with professional graphics communicates to all visitors that this organization is serious about what it is trying to do. In provides credibility. It also contributes to the efficiency of the organization. It has long been said that one of the advantages of sophisticated technology is that it simplifies tasks. All of the participants in the local food enterprises wee extremely busy. Software and websites

that minimize administrative overhead are required to manage labor costs, whether they are paid employees or volunteers. Achieving scale in the business in terms of number of selling farms and variety of products is also critical.

A caveat is necessary for a model involving local, coordinated distribution. Depending upon the geographic region, demographics of the target audience and technology infrastructure it may well be advisable to provide an additional method of communicating with consumers. While a great number of people now have access to the Internet either at work or at home, it still varies by region.

Customer Service

Customer service was mentioned briefly in the section on marketing, but its presence and importance in the researched models makes it worthy of separate discussion. Providing excellent customer service was the mantra of almost every local food enterprise. Consumers expectations are higher, according to those interviewed, when the food product is marketed as high-quality, healthy, fresh, premium, specialty, etc. Providing a high level of customer service was identified as a priority for all of the organizations interviewed. Citing the value of each customer, the enterprises worked hard to ensure customer satisfaction. A small, local organization must not assume customer expectations are any lower for them than they are for any other company. In many cases, expectations are likely to be higher.

Timely resolutions to customer service issues are expected by retail and foodservice institutions. Consumers appeared to be more patient as long as the issue was addressed during the next order and delivery cycle.

Conclusions

Business components for a successful Great Plains marketing and distribution local food enterprise to promote and market local producers/seller's products to consumers/buyers were identified during this project. Many address the significant challenges, particularly distribution issues, that had to be addressed if such an entity is to have a chance to be successful; however, three additional key aspects emerged from this project.

1. The intangible factors--effective leadership, a cooperative spirit, passion and determination. It is the ability of an individual, family, or enterprise to generate enthusiasm among not only participating farmers but also potential customers that creates momentum in achieving scale. An underlying theme present in most of the successful models was the passion of the leaders or initiators of the cooperative effort. The leadership skills of the initiators will have to facilitate cooperation among those participating. Decisiveness and compromise are not mutually exclusive, both will be required in creating and sustaining a local foods enterprise.

2. Management and operational skills. These are a given requirement to ensure economic sustainability and customer satisfaction.

3. Product mix. No model will successfully sell commodity products to consumers, restaurants, retailers, or distributors. The first step that must occur before planning the development of any local food enterprise is to objectively critique the products being considered for sale. Even the best model cannot help in selling a poor quality or undifferentiated product.

The Model for Great Plains States (aka—The Nebraska Food Cooperative)

The Nebraska Food Cooperative model is largely based upon the Oklahoma Food Cooperative and in fact, uses web-based software developed by Oklahoma. However, there are key differences incorporated into the Nebraska Food Cooperative that make it unique. First, the Oklahoma model has the following operational features:

1. Producers retain their own identity and set their own prices for all products they sell through the cooperative. Each producer has a page on the cooperative's website they includes farm information including production practices used
2. Each producer enters the items for sale with price and inventory available prior to the opening of an ordering window during which members can place their orders.
3. The cooperative never takes ownership of product, but provides an ordering and transaction mechanism (website), distribution service (one-day cross-docking operation), and marketing (food banquets, promotion campaigns, speakers bureau, etc.)
4. The website tracks inventory available for sale from each producer, creates invoices and order labels, and generates information needed for financial reporting
5. The cooperative is owned and governed by both producers and consumers
6. Delivery is done one day per month when producers share duties transporting producer orders from a given geographic area to a central sorting facility. They are then sorted by consumer member and relevant delivery route. At the conclusion of that process, those members who transported producer orders in to the central sorting facility, transport consumer orders back to their geographic area to be either home delivered or dropped at a designated pick-up location.
7. Producers are paid when product is brought to the delivery day sorting facility or later by check for those not present. Consumers pay for their orders when they are picked up.
8. Consumers and producers are each charged a 5 percent sales and handling fee for each order. This revenue underwrites the operation of the cooperative which pays mileage, buying credits for delivery day volunteers, and supplies.
9. Capital expenditures were funded with a one-time, one-share $50.00 stock purchase.
10. This process occurs on a monthly cycle.

The Nebraska Food Cooperative is still finalizing its operational model, but it includes the following modifications and features from other local food enterprises:

1. One time, one share stock purchase of $100.00 for consumers and producers to join and become voting members of the cooperative.
2. Members pay an annual fee of $20.00 in order to maintain eligibility to purchase through the cooperative.
3. Non-voting members pay an annual fee of $40.00 in order to be eligible to purchase through the cooperative.
4. A 5 percent sales and handling fee is still charged to both producers and consumers for each order they receive/place.
5. The Nebraska Food Cooperative will operate on a bi-weekly order and delivery cycle using a refrigerated/freezer truck to make deliveries in the Omaha and Lincoln markets.
6. In the beginning, satellite coops, which would utilize the website created by the Nebraska Food Coop, would be formed. These coops would operate in a similar manner except the food that flows through their network would originate in the immediate surrounding area. Ordering and administration would be managed by the Nebraska Food Coop, but the service area for each of the satellite coops would be a much smaller geographic area.

The above modifications were made to increase the likelihood for sustainability and improve opportunities for more frequent order and delivery cycles.

Suggestions for Further Research Needed

A symposium that brings together similar local food systems to share specific strategic and operational elements of their operations designed to enhance the sustainability of all local food systems would be beneficial. With adequate funding, the Food Processing Center would be willing to organize and host such an event.

A challenge for both the Nebraska Food Cooperative and University of Nebraska-Lincoln Dining Services is defining producer specifications. Are there cost effective options for certifying each producers stated production practices in order to ensure participants meet the goals of the respective organizations? Sustainable production practices has varied meaning for everyone who uses it. Desiring to promote these types of practices but lacking the desire and resources to document, or certify, their use is hindering both organizations as they move forward in their efforts. A project aimed at researching, developing and/or recommending a viable producer certification program—short of certified organic—would be beneficial to both of these efforts and very likely, many others like them.

Current or Future Benefits to be Derived from the Project

Two significant outcomes came to fruition as a direct result of this project. They are:

1. Development of the Nebraska Food Cooperative
2. University of Nebraska-Lincoln purchasing locally produced food from family farms

An existing local food enterprise, the Oklahoma Food Cooperative, was identified and targeted as a base model on which to build a model local food enterprise for Great Plains states. The Oklahoma model uses a web-based monthly order and delivery cycle targeted toward consumers.

This model and lessons learned from other enterprises was presented to producers in Nebraska at numerous conferences and events during the last year of this project. Significant interest in developing and implementing a similar local food enterprise resulted from these events. A database of over 100 producers was developed and a steering committee formed.

University of Nebraska-Lincoln Dining Services

During the research on the project, communication was established with the University of Nebraska-Lincoln Dining Services. Discussion about the challenges of using locally sourced products for special events took place. Identifying local farms/suppliers and logistics were identified as constraints for moving forward. Communication continued as work on the project moved forward. During the summer of 2005, as a result of some research material from this project sent to their Associate Director, a decision was made by Dining Services to begin serving special meals in one of their dining halls. Project staff organized meetings between prospective producers and Dining Services staff, consulted with Dining Services staff on menu development and logistics, and utilized the aforementioned database to identify additional suppliers.

The results of that project are below.

Current Benefits:

UNL Dining services, along with the Food Processing Center and other partners, has developed infrastructure to improve the efficiency with which the university can source, purchase, accept delivery, and process Nebraska sourced products. This is an on-going process that will continue to be expanded and adapted as opportunities arise.

Examples of infrastructure include the development of procurement packets for all interested producers, delivery procedures, staffing requirements, and a database of Nebraska family farms and small food processors used by their buyer. Additionally, promotional items such as posters and table tents have been developed to promote the project in the dining halls. Funding is being sought for equipment that will allow raw products to be more efficiently cleaned and processed.

Educational materials on sustainable agriculture including brochures, reports, and a PowerPoint presentation were developed as resources available to students who eat at the dining halls.

Activity (Date)	Items Purchased	Number of Student Meals	Number of Producers	Product Value
Five special meals in one dining hall (Fall 2005)	Beef, pork, chicken, lamb, fish, vegetables, jellies, dressings, fruit, flowers, eggs, ice cream, desserts, pizza crusts	3,894	25	$25,326
Three special meals in one dining hall (Spring 2005)	Beef, eggs, ribs, nuts, flour, cheese, pork, lamb, flour, oats, jelly, ethnic sausage, liver dumplings, greens, radishes, spinach, apples, honey	Est. 2,200	Est. 10	Est. $5,000

Producer quote:

"We have really enjoyed our relationship with UNL Food services. They have shown a great respect for our role in supplying food and we have learned a lot about their needs as well. Dining and visiting with the students has been very rewarding in that they show a genuine interest in the attributes of locally grown and sustainably grown food."

Paul Rohrbaugh, Farmer

UNL Dining Hall staff quote:

"This has provided an invaluable educational agriculture experience for our students. It has really brought agriculture to the forefront for them. They are loving these events and the opportunity to visit with the producers."

Pam Edwards, Associate Director
University of Nebraska-Lincoln Dining Services

Future Expected Benefits:

The UNL Dining Services is currently working with producers on the volume of product needed for beef, pork, chicken, flour, pizza crusts, and a variety of vegetables over the course of an academic year. UNL has stated they are committed to continuing to purchase products from Nebraska's family farms with an emphasis on those farms using sustainable farming practices. A coalition of resource providers, dining services staff, distributors, and producers continue to meet and discuss opportunities for expanding the scope and volume of locally produced product purchased.

The Nebraska Food Cooperative includes in its vision the capacity to service restaurants and institutions such as UNL Dining Services.

Activity (Date)	Items Purchased	Number of Student Meals	Number of Producers	Product Value
Daily menu items in one dining hall (Spring 2005)	Jellies, dressings, eggs, oatmeal, granola	Est. 38,400 (three meals, two days per week)	Est. 12	Est. $6,200
Expansion of daily menu items to other dining halls (2006-07)	Beef, pork, chicken, vegetables, flour, pizza crusts, jellies, dressings, eggs, oatmeal, granola		Est. 7-10	Volume requirements for these items is being compiled by UNL
Four special meals in two dining halls (Fall 2006)	Volume of certified organic products will be managed to aid in reducing costs. Emphasis remains on sustainably-produced foods	Est. 4,000	Est. 15 – 20	Est. $20,000
Expansion of special meals to other dining halls (Spring 2007)	To Be Determined	Est. 20,000	Est. 15-20	TBD

Nebraska Food Cooperative

Many efforts have been made in the past to assist producers in their direct marketing. With the exception of the growth in the number of farmer's markets, many of these efforts met with limited success. Producers were faced with the economically challenging task of marketing and, especially, distributing their farms' products to end markets. A few efforts' small-scale cooperation have been growing, but for the most part, producers are either trying to 'go-it-alone' or have given up on direct marketing due to factors such as loss of identify of their family farm, revenue and cost-sharing, etc.

This research project had as its goal, identifying a viable, satisfactory method for achieving shared distribution and marketing in order to reach consumers and other valuable end markets who were showing an increased interest in purchasing locally produced food.

The results of this project toward that end are below:

Current Benefits:

1. Created a model from which groups of producers in other states can adopt, adapt or otherwise learn from.
    a. The Project Manager has communicated and shared information with other groups in Kansas (2), Texas, Arkansas and Iowa once the Nebraska model was developed.
2. Raised the awareness among the public of the availability of local foods and challenges facing family farms
3. Prompted cooperation among Nebraska producers in multi-faceted efforts to market and distribute locally produced foods.
    a. The development of the Nebraska version of Buy Fresh, Buy Local is occurring simultaneously with the implementation and launch of the Nebraska Food Cooperative.
    b. A 'Slow Food' chapter has begun meeting in the Lincoln area.
4. Directly lead to the development and legal formation of the Nebraska Food Cooperative, a more efficient and effective vehicle for marketing and distributing locally produced foods.
    a. The cooperative will begin a membership drive once membership procedures and the membership forms on its website are finalized during April 2006

Farmer quotes:

"As a small producer, I am looking forward to greater access to a large number of motivated consumers who are my exact target market. I also have begun to implement plans for an expansion in my product offerings due to the co-op's formation.

As a consumer in a non-urban area 1 1/2 hours north of Omaha, I am really looking forward to a greatly expanded choice of FRESH, LOCAL, HIGH-QUALITY products that simply are not available in my immediate area. I cannot travel to Omaha or Lincoln farmers markets on a regular or cost-effective basis, so a distribution drop-off point somewhere in this area will be a godsend!!"

Randy Wattermann, Farmer/Consumer
West Point, NE

"The food coop will unlock the barriers for the small, local producer. It's going to help keep small and medium sized farmers on the land producing. It gives us the infrastructure to make it happen."

Liz Sarno, Farmer
Linwood, NE

Future Benefits:

1. The Nebraska Food Cooperative will be beginning their membership drive in April 2006. They anticipate having a minimum of 50 producer members and 200 consumer members at the end of year one.
2. The Oklahoma Food Cooperative is averaging approximately $200,000 in annual sales after two years. The Nebraska Food Cooperative expects their adapted model to generate sales in excess of this number sometime during their second year of operation.
3. Producers have indicated plans for expanding their operations due to the opportunity presented by the Nebraska Food Cooperative. Multiple individuals who are not currently producing a product and/or direct marketing have shared that they are looking for product ideas that they could sell through the cooperative. One exciting example is a 15 year girl who has written a business plan for selling dried flowers through the cooperative. With rural areas facing the exodus of its young people, this example is particularly exciting.
4. Nebraska Food Cooperative organizers are discussing and developing plans that will enable the cooperative to serve restaurant, institution and retail accounts on a more efficient and frequent basis.
5. Additional groups of producers in the far Western part of Nebraska are interested in developing a similar entity and are monitoring the development of the Nebraska Food Cooperative.
6. Similar efforts are being initiated and/or explored by other states in the Midwest. Discussions are already taking place of developing a yearly conference where existing cooperatives and organizers of sister cooperatives can share ideas.
7. One future opportunity includes the exchange of foods not available from one cooperative to surrounding sister cooperatives in order to further broaden the availability of available foods in all similar cooperatives, but from a source much closer than existing ones.

Additional Information Available

Additional information can be found at:

The Nebraska Food Cooperative -- www.nebraskafood.org

FoodMAP (PowerPoint presentations relating to the research) – www.foodmap.unl.edu

Contact Person for More Information

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Brief Description of the Major Project Beneficiaries

Producers:

Approximately **25-30 producers** have been involved in the project providing input and guidance during all phases of the research.

An initial group of at least **50 producers** are expected to immediately benefit when the Nebraska Food Cooperative begins operations. The potential for additional producers to benefit by direct marketing and distributing through the cooperative is very high. Interest has been high at every event where the coop has been presented and discussed. In the long run the number of involved producers is expected to be well over **100 producers** if Oklahoma's experience is any indication.

They will directly benefit by reducing the costs associated with direct marketing their products as well as increasing their sales through expanded access to additional markets.

The Nebraska Food Cooperative is designed with the small to medium farmer, rancher, food processor in mind. By most standards, the overwhelming majority of enterprises that will sell and distribute through the coop, would be considered to fall into the small category. The coop itself could grow to include up to **1,000 producer and consumer members**.

Participants in this project and the resulting Nebraska Food Cooperative include small family farms, hobby farmers, aquaculture producers, jam/jelly manufacturers, small prepared food manufacturers, growers/pickers of small fruits and berries, producers of baked goods, apple orchards, certified organic vegetable growers, new immigrant farmers through Lincoln's Community Crops program, new food entrepreneurs from the Food Processing Center's Food Entrepreneur Assistance Program, members of the Nebraska Sustainable Agriculture society who use sustainable farming practices in their operation, a certified organic grain processor, growers of flowers and related products, young people interested in testing the entrepreneurial waters (a 15 year-old initiated a dried flower business as a direct result of the emergence of the Nebraska Food Coop), City Sprouts of Omaha (an inner city garden project for minority and limited resource individuals), and small beef, poultry, and pork producers.

Many of the producers participating in this project would be classified as limited resource operations.

Others as appropriate:

The **University of Nebraska-Lincoln**, as well as similar institutions, have and will continue to benefit from the development of both the knowledge and infrastructure that has increased their capacity to purchase local foods produced using sustainable production practices.

The **students** at the university benefit by the interactions they have with the food producers who attend each special meal and the educational materials that were generated.

Consumers will have access to a greater variety of local foods produced using sustainable production practices. They may also benefit from improved opportunities to purchase fresher, more nutritious food. Educational programs designed at educating consumers, particularly low income ones, on purchasing and preparing grass-fed meats, fresh vegetables, and other similar food items are currently under development.

The **resource providers** participating in this project will make themselves available to assist in the development of similar operations.